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RESPONSE DEADLINE: June 14, 2012 at 4:00 p.m. (Eastern Time)

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,

Debtors.

CHAPTER 11

CASE No. 08-13555 (JMP)

(Jointly Administered)

**RESPONSE OF U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE, TO THE
DEBTORS' THREE HUNDRED FOURTH OMNIBUS OBJECTION TO CLAIMS
(DUPLICATIVE DERIVATIVE CLAIMS)**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

NOW COMES U.S. Bank National Association, not individually but as Trustee ("U.S. Bank" or the "Trustee"), by and through its counsel, Chapman and Cutler LLP, to respond (the "*Response*") to the Debtors' Three Hundred Fourth Omnibus Objection to Claims

(Duplicative Derivative Claims) (the “*Objection*”). In support of its Response, the Trustee states as follows:¹

U.S. Bank filed a number of claims in these bankruptcy proceedings as Trustee under certain Indentures with municipal entities, wherein the Debt Service Reserve Fund established under the terms of the Indenture was invested pursuant to a Reserve Fund Agreement with Lehman Brothers Holdings Inc. (“*LBHI*”). Such amounts were also guaranteed by LBHI.

Pursuant to the Objection, the Debtors seek to disallow the following claims filed by the Trustee: Claim Numbers 10995, 31025, 31027, 31029, 31043, 31053, 31054, 31055, 31057, 32860, 32869, 32870, 32871, 32872 and 32873 (collectively, the “*Claims*”). The Debtors allege that the Claims are duplicative of claims filed by the respective Issuers, the Massachusetts State College Building Authority and Sistema Universitario Ana G. Mendez, Incorporated. U.S. Bank agrees that such Claims are duplicative to the extent of the alleged damages for the breach of the underlying Reserve Fund Agreements and Guarantees. However, U.S. Bank objects to the relief requested on the grounds that the Trustee does have a viable and non-duplicative claim for its fees and expenses in connection with preserving and protecting the relevant interests in these transactions, constituting an additional loss recoverable under Article 7 of the relevant agreement (the “*Non-Duplicative Surviving Claims*”). The Non-Duplicative Surviving Claims are unique to the Trustee and may not have been asserted by the Issuers.

In order to avoid any duplication and streamline this process, U.S. Bank is willing to reduce its Claims, and merely seeks to retain the Non-Duplicative Surviving Claims with respect to the Claims.

WHEREFORE, for all of the foregoing reasons, U.S. Bank respectfully requests that this Court reduce Claim Numbers 10995, 31025, 31027, 31029, 31043, 31053, 31054, 31055, 31057,

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the Objection.

32860, 32869, 32870, 32871, 32872 and 32873 so as to avoid any duplication with the claims asserted by the Issuer, but retain such Claims with respect to the Non-Duplicative Surviving Claims, including but not limited to any claim of the Trustee for its fees and expenses in connection with preserving and protecting rights under the relevant agreements.

Dated: June 14, 2012

Respectfully submitted,

U.S. BANK NATIONAL ASSOCIATION, not
individually but as Trustee

By: /s/ Craig M. Price

One of Its Attorneys

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